

# 4 New Initiatives

## IN 2003/04

- 4.1** This Chapter highlights the key initiatives to be launched in 2003/04 under the HA's five main areas of activities, namely: Building, Rental Housing, Home Ownership Assistance, Commercial Business and Corporate Services.

### Building

- 4.2** The HA's Building business covers the planning, design and construction of public housing and associated facilities. The key activities are carried out by the Construction Division. In 2003/04, we plan to work on the theme "To Build Smart" to promote cost-effectiveness, innovation and sustainability in construction.



### Objectives

- 4.3** The objectives of the business are –
- To produce public rental flats in accordance with the Public Housing Development Programme.
  - To build decent public rental housing to satisfy customers' needs.
  - To optimize cost effectiveness in the provision of public rental housing and ancillary facilities.
  - To enhance the quality of public housing developments through innovation.
  - To build for sustainability.

## Key Initiatives

### Meeting production targets

- To complete 23 800 flats, 28 000m<sup>2</sup> gross floor area of commercial properties and 3 100 car/lorry parking spaces.

### Satisfying customer needs

- To continue with the implementation of the 50 Quality Housing Initiatives.
- To review the adequacy of the design of PRH with a view to re-defining its provision and standards to satisfy customers' needs.
- To capture wider input from the community and end-users for determining functional and design requirements.

### Optimizing cost effectiveness

- To review the design of standard block and improve efficiency ratio in building design.
- To introduce a Buildability Index System<sup>[3]</sup> for design evaluation.
- To explore new procurement methods to drive down construction costs and minimize life cycle cost.

### Enhancing quality through innovation

- To build innovatively and cost-effectively through site-oriented design and Design Forum.
- To promote extensive use of precast materials, pre-fabrication and mechanization.
- To launch Intelligent Estates.

### Building for sustainability

- To drive down accidents on HA construction sites.
- To promote environmentally-friendly designs.
- To minimize environmental impact during construction.

Note<sup>[3]</sup>: The Buildability Index System measures how easy a building can be built in terms of standardization, simplicity, etc.

## Budget

- 4.4 Expenditure is budgeted at \$13,240 million for 2003/04, up \$1,952 million (17%) as compared with the 2002/03 Revised Budget. This reflects an increase in the number of flats under construction in the year.

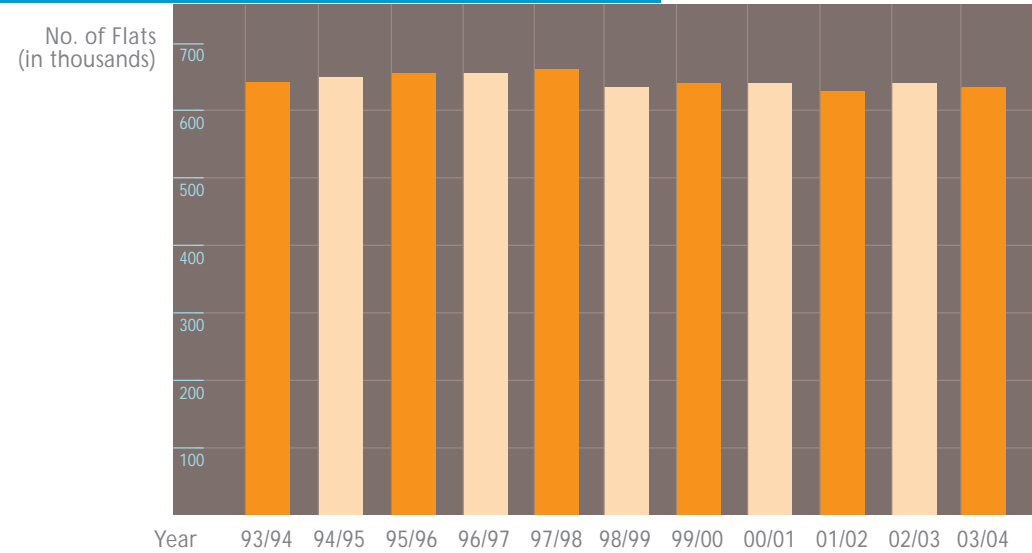
## Rental Housing

- 4.5 The Rental Housing business is responsible for the allocation, management and maintenance of the HA's domestic rental properties comprising 639 400 PRH and 12 500 IH units. The main operations are carried out by the Estate Management Division.

## Objectives

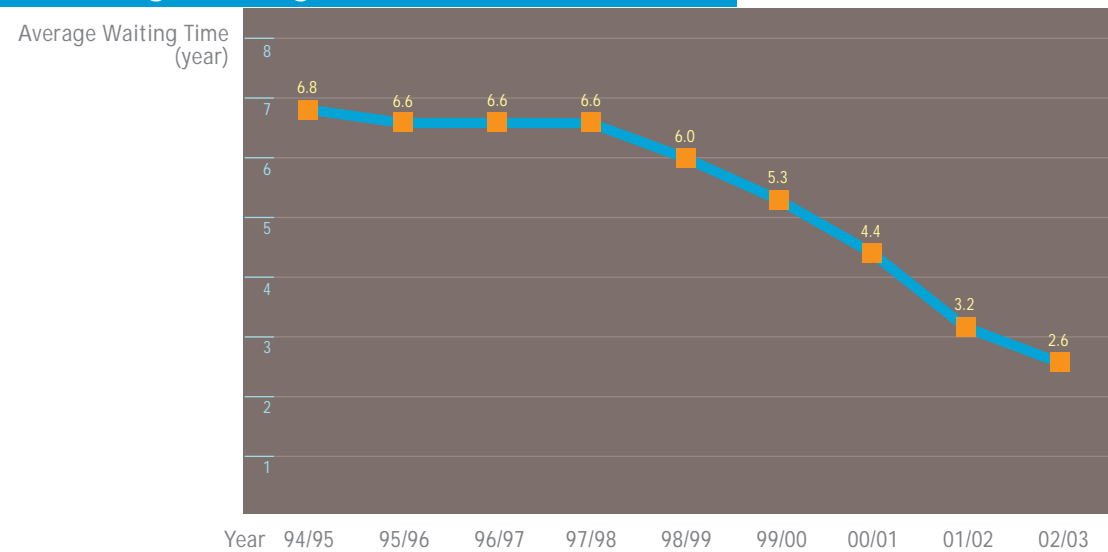
- 4.6 The objectives of the business are –
- To achieve efficient allocation of public rental housing to eligible applicants.
  - To maximize the rational allocation of housing resources.
  - To manage and maintain our assets with a view to maximizing their economic life and contribution.
  - To make effective use of the private sector in the delivery of quality estate management services.
  - To work in partnership with customers and other stakeholders.
  - To make the fullest use of human and financial resources and IT to meet corporate goals.
  - To contribute actively and positively towards sustainable development and environmental friendliness.
  - To develop new and innovative business opportunities.

### Stock of Public Rental Housing Flats



4.7 In 2003/04, we will continue to commit to maintaining the average waiting time for PRH at three years. In addition to the Rent Allowance for Elderly Scheme, we will examine the feasibility of providing cash subsidies to eligible non-elderly PRH applicants for renting private accommodations of their choice.

### Average Waiting Time for PRH<sup>(4)</sup>



Note<sup>(4)</sup>: The average waiting time for the years from 1994/95 to 2001/02 shows the positions as at end March of the respective years except for 2002/03 which is at 30 September 2002.

### Key Initiatives

#### Efficient and rational allocation of housing resources

- To maintain the overall average waiting time for PRH at three years by allocating 22 000 PRH flats to Waiting List applicants.
- To launch a one-stop registration service for elderly Waiting List applicants.
- To examine the feasibility of extending the rent allowance scheme to eligible non-elderly PRH applicants.
- To relieve overcrowding by taking advantage of increased supply of large-sized rental flats.

#### Facilitating cost-effective management

- To complete electrical reinforcement and rewiring works for 14 blocks in three estates, and replumbing works in 56 domestic blocks.
- To reduce the failure frequency of underground services and to enhance the quality of estate roads by reconstructing road work in three estates.

#### Effective use of the private sector

- To establish optimum and consistent benchmarks for estates managed by the HD and the MBOs/PSCs.

#### Partnership with customers and stakeholders

- To enhance partnership with Estate Management Advisory Committees for better identification of tenants' views and needs.

#### Maximizing human, financial and IT resources

- To establish the new Estate Maintenance and Management System to enhance service quality, efficiency and staff productivity.
- To conduct business process re-engineering for estate maintenance and tenancy management services, and to streamline procedures of handling complaints and contract payment.
- To enhance the rent collection system to fully automate the collection and related accounting procedures.

#### Promoting environmental friendliness

- To install biochemical deodorizing systems to refuse collection rooms in no less than 20 estates.

- To enhance energy management and saving in estates.
- To upgrade the standard of existing landscaping facilities through Landscape Improvement programmes.

#### *Developing new business opportunity*

- To partner with the private sector to roll out a pilot e-estate portal and community IT kiosks in five estates.

#### **Budget**

**4.8** Expenditure and income for 2003/04 are budgeted at \$11,711 million and \$10,687 million respectively. We forecast an operating deficit of \$1,687<sup>[5]</sup> million, representing an average operating deficit of about \$2,590 per PRH unit for 2003/04.

## **Home Ownership Assistance**

**4.9** The Housing Subsidies Sub-division of the Allocation and Commercial Division is responsible for implementing the home ownership assistance programmes. With the indefinite cessation of sale of HOS flats from 2003 onwards, the principal means for the HA to facilitate low-income families to become home owners is the provision of loans under HALS to eligible households to purchase flats in the private market or the HOS secondary market. In addition, some 26 000 PRH flats will be offered for sale to sitting tenants under TPS Phase 6A in the coming year. The Scheme will come to an end after Phase 6B.

#### **Objectives**

- 4.10** The objectives of the Home Ownership Assistance are –
- To allocate housing resources rationally.
  - To facilitate low-income families to acquire home ownership.
  - To make effective use of the private sector in the delivery of housing and related services.

Note<sup>[5]</sup>: The deficit is calculated after deduction of an exceptional item for Voluntary Departure Scheme Payment.

- To work in partnership with customers and other stakeholders.
- To make the fullest use of human and financial resources and IT to meet corporate goals.

#### **Key Initiatives**

##### *Rational allocation of housing resources*

- To explore fully the opportunity of making the best use of surplus HOS flats.
- To explore options to facilitate early payment of premium for HOS flats.

##### *Facilitating home ownership*

- To facilitate home ownership through implementing the new HALS.
- To arrange sale of unsold and returned HOS flats to Green Form applicants.
- To launch sale activities for TPS Phase 6A.
- To provide pre-sale maintenance services to estates for sale under TPS Phase 6B.

##### *Effective use of the private sector*

- To explore channels to outsource the servicing of HPLS/HALS loans.

##### *Partnership with customers*

- To assist owners in the formation of Owners' Corporations in HOS courts and TPS estates.

##### *Fullest use of human and IT resources*

- To study the feasibility of introducing electronic services for HALS.
- To review manpower requirements and explore outsourcing options in support of the business operations.

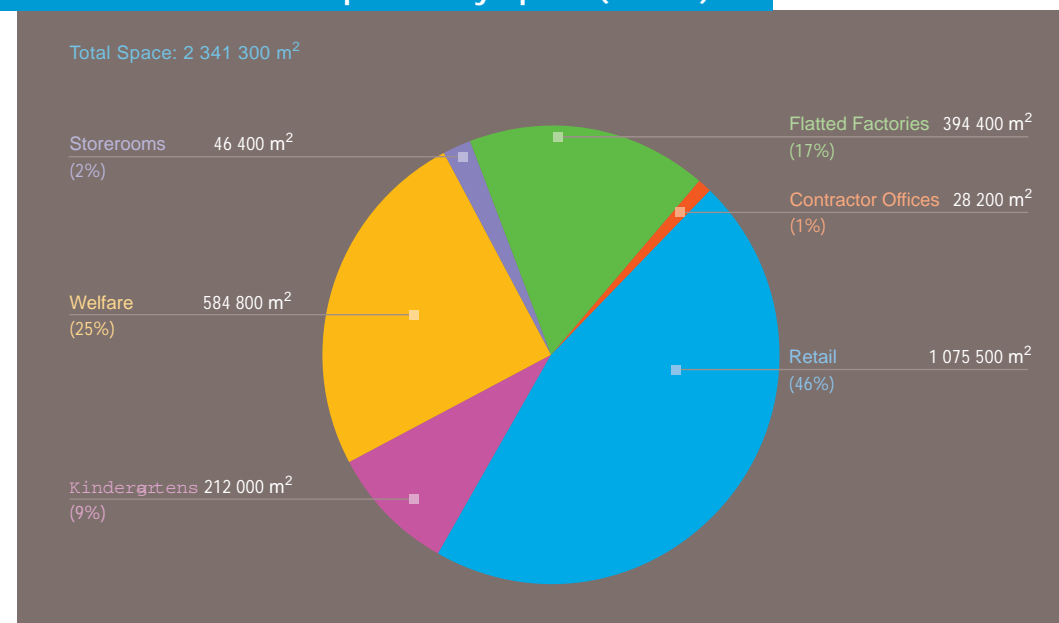
#### **Budget**

**4.11** Expenditure and income for 2003/04 are budgeted at \$4,087 million and \$4,145 million respectively, giving an operating surplus of \$58 million as compared with the estimated surplus of \$677 million for the 2002/03 Revised Budget. The significant drop in the estimated surplus is mainly due to the cessation of HOS sales programme and a reduction in the number of PRH flats to be sold under TPS.

## Commercial Business

- 4.12** The Commercial Properties Sub-division of the Allocation and Commercial Division manages the HA's commercial and non-domestic properties comprising 2.34 million m<sup>2</sup> IFA of premises (including retail, welfare, kindergartens, flatted factories, contractor offices and storerooms) and some 100 000 carparking spaces.

### Commercial and Non-domestic Properties by Space (IFA m<sup>2</sup>)



### Objectives

- 4.13** The objectives of the business are –
- To provide an appropriate range, level and quality of commercial facilities/services to support public housing.
  - To enhance the quality of services and the level of satisfaction of the users of commercial facilities.
  - To maximize cost effectiveness in the development and management of each commercial sub-business to achieve a specified return.
  - To promote the use of the private sector in the fulfillment of business objectives.
  - To cultivate environmental responsibility and sustainable development.

### Key Initiatives

#### Providing quality facilities and services

- To expedite letting and enhance occupancy rate through the Business Opportunity Centre and streamlining the procedures for tendering.
- To follow up the recommendations of the consultants on divestment of retail and carparking facilities with a view to early implementation.

#### Enhancing customer satisfaction

- To continue the upgrading of HA markets by retrofitting of air-conditioning and suitable redesign of the facilities.
- To continue the modification or replacement of cooked food stalls with new enclosed facilities.

#### Maximizing cost effectiveness

- To explore additional income sources including the wider use of potential advertising sites.
- To roll out and refine e-tendering for retail lettings.
- To enhance the information flow and usage of IT through portal development.
- To conclude clearance of Jordan Valley Factory Estate and pursue other opportunities to secure redevelopment of obsolete factory premises.

#### Effective use of the private sector

- To proceed with transfer of shopping centres in HOS estates to specialist managers for improved performance.

#### Cultivating environmental responsibility and sustainable development

- To incorporate provisions in the Commercial Centre Design Guide to promote energy saving based upon the findings of a study of existing centres.

### Budget

**4.14** Expenditure and income for 2003/04 are budgeted at \$3,410 million and \$4,838 million respectively. An operating surplus of \$1,195<sup>(6)</sup> million is forecast. This represents an increase of \$148 million (14%) on the 2002/03 revised budgeted surplus, mainly due to additional income from new commercial premises and efforts in reducing operating expenditure.

## Corporate Services

**4.15** The Corporate Services Division is responsible for providing support services to other Divisions in respect of administration, human resources management, legal services, corporate public relations, management consulting/advisory services and information technology.

### Objectives

- 4.16** The objectives of the Corporate Services are –
- To make the fullest use of human resources and information technology to meet corporate goals.
  - To make effective use of the private sector in the delivery of support services.
  - To enhance partnership with customers and other stakeholders.
  - To promote environmental understanding and practices in the HA's workplace.

### Key Initiatives

#### *Maximizing human and IT resources*

- To review the manpower requirement taking into account the Department's reorganization and implementation of relevant measures under the Statement on Housing Policy, and devise appropriate human resources strategies.
- To strengthen the IT governance and security of the HA.

Note<sup>(6)</sup>: The operating surplus is calculated after deducting expenditure incurred on Government projects funded and executed by the HA.

- To expand the capacity of the HA's computer network to facilitate the introduction of new business applications.

#### *Effective use of the private sector*

- To improve outsourcing management.
- To make greater and more effective use of outsourcing in the delivery of IT services.

#### *Enhancing partnership with customers and stakeholders*

- To organize commemorative functions to mark the 50th anniversary of public housing development in Hong Kong.
- To align business partners with the HA's service culture.
- To provide one-stop answering service for public enquiries and complaints.
- To launch a new and improved HA/HD web site to strengthen communication with internal and external customers.

#### *Promoting environmental friendliness*

- To enhance staff awareness and knowledge about environmental issues through training programmes and launch of a web-based programme on the use of the Environmental Legislation Database.
- To promote environmentally-friendly office practices.

### Budget

**4.17** Recurrent expenditure for 2003/04 is budgeted at \$648 million, representing a 6% decrease on 2002/03.